

## Legislative Fiscal Office

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## Joint Committee on Ways and Means

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**To:** Human Services Subcommittee

**From:** Gregory Jolivette, Legislative Fiscal Office

**Date:** June 17, 2021

**Subject:** SB 5529 – Oregon Department of Human Services  
Work Session Recommendations

### Oregon Department of Human Services – Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
General Fund	3,184,660,160	3,558,455,392	4,506,466,106	4,560,791,484
Other Funds	539,735,821	811,229,521	639,640,131	699,078,414
Federal Funds	5,238,750,230	6,434,813,278	6,459,542,544	7,076,319,593
Federal Funds NL	1,855,270,592	2,889,345,331	1,939,345,331	2,975,868,127
<b>Total Funds</b>	<b>10,818,416,803</b>	<b>13,693,843,522</b>	<b>13,544,994,112</b>	<b>15,312,057,618</b>
Positions	9,047	9,603	9,693	10,108
FTE	8,747.82	9,359.06	9,633.66	10,004.43

The LFO recommended total funds budget for the Oregon Department of Human Services is \$15.3 billion, an increase of 11.8% above the 2019-21 legislatively approved budget and 13.1% above the 2021-23 current service level. Attached are the recommendations from the Legislative Fiscal Office for the Oregon Department of Human Services.

Below we provide highlights of the investments included within each program budget.

Vocational Rehabilitation. The LFO recommended total funds budget for Vocational Rehabilitation is 19.4% below the 2019-21 legislatively approved budget and 0.1% above the 2021-23 current service level (CSL). The General Fund budget is 5.9% above 2019-21. This includes:

- \$170,746 to fund one permanent position (1.00 FTE) in the Youth and Workforce program to improve the current reimbursement system to achieve the maximum amount of reimbursement from the Social Security Administration.

Self Sufficiency. The LFO recommended total funds budget for Self-Sufficiency is 0.5% above the 2019-21 legislatively approved budget and 32.0% above current service level (CSL). The General Fund budget is 9.3% above 2019-21. This includes:

- \$10.0 million General Fund and three positions (3.00 FTE) to create the Survivor Investment Partnership program to provide domestic violence and sexual assault services to survivors through contracts with culturally specific organizations and Tribes.
- \$4.3 million General Fund for refugee extended case management and employment support services to individuals granted an immigration status that has been approved for services by the federal Office of Refugee Resettlement.
- \$3.0 million General Fund on a one-time basis to continue the expansion of 211 service approved by the Legislature in response to the statewide increase in calls during the COVID-19 pandemic.

Child Welfare. The LFO recommended total funds budget for Child Welfare is 10.2% above the 2019-21 legislatively approved budget and 2.9% above the 2021-23 current service level (CSL). The General Fund budget is 17.5% above 2019-21. This includes:

- \$6.2 million total funds to increase Behavioral Rehabilitation Services (BRS) rates by approximately 6.5% due to updated wage data.
- \$4.0 million total funds and 19 positions (16.72 FTE) in the Child Welfare Training Unit to enhance the division's ability to design, deliver, evaluate and oversee training received by Child Welfare staff.
- \$5.9 million General Fund and two permanent positions (1.76 FTE) in the Foster Care and Youth Transitions Unit to expand the Independent Living Program.
- \$6.1 million total funds and 29 permanent positions (25.52 FTE) in the Child Welfare Safety program to develop internal infrastructure to provide supports and coordination of community-based prevention services to children and families.
- One position (0.88 FTE) to support the Governor's Child Foster Care Advisory Commission.
- Extension, at least through September 2021, of the Alternative Child Care program established in the current biennium to provide flexibility to foster care parents for their foster child child-care needs during the COVID-19 public health emergency.
- \$6.6 million General Fund for In-Home services for youth with non-medical necessity needs. This is part of the investment in the children's continuum of care services included in SB 1 (2019).

Intellectual and Developmental Disabilities. The LFO recommended total funds budget for Intellectual and Developmental Disabilities is 19.9% above the 2019-21 legislatively approved budget and 10.1% above the 2021-23 current service level (CSL). The General Fund budget is 31.6% above 2019-21. This includes:

- \$0.6 million General Fund, and \$0.5 million Other Funds expenditure limitation to reduce or eliminate language access barriers and increase communications that are

designed specifically to reach people with intellectual and developmental disabilities.

- \$34.3 million General Fund (\$101.5 million total funds) to provide a 3.2% rate increase for providers of Intellectual and Developmental Disabilities services effective July 1, 2021, and to implement new rate models effective July 1, 2022. ODDS estimates this will result in an average weighted Direct Service Professional wage of \$14.82 per hour.
- \$10.0 million General Fund (\$29.5 million total funds) to further increase provider rates for Intellectual and Developmental Disabilities services. ODDS estimates this will increase the average weighted Direct Service Professional wage to \$15.53 per hour.
- \$2.0 million General Fund, \$2.0 million Federal Funds and 19 positions (16.72 FTE) in the Licensure and Quality Improvement Office to meet growing workload demands and to ensure Oregon meets federal timelines for licensure visitations and investigations of neglect and abuse.
- \$1.4 million General Fund to restore Family-to-Family Networks to the 2019-21 funding level, adjusted for inflation. The 10 networks provide referral services and peer networking opportunities, potentially mitigating the need for families to access more expensive Medicaid services.
- \$0.1 million General Fund and \$0.1 million Federal Funds limitation for the Department to contract for a study to identify, and make recommendation for, an improved funding structure for Community Developmental Disability Programs (CDDPs).
- \$0.4 million General Fund to cover Disability Rights Oregon's (DRO) costs associated with guardianship reviews.

Aging and People with Disabilities. The LFO recommended total funds budget for Aging and People with Disabilities is 17.1% above the 2019-21 legislatively approved budget and 6.0% above the 2021-23 current service level (CSL). The General Fund budget is 32.0% above 2019-21. This includes:

- \$2.5 million General Fund and 12 positions (10.56 FTE) to meet increased workload demands associated with abuse screenings, investigations, policy development, training, and operational support for program staff and contractors.
- \$4.4 million General Fund, \$40.4 million Federal Funds, and 52 positions (18.81 FTE) to expand Oregon Project Independence (OPI) as well as create a new Family Caregiver Supports program.
- \$132.2 million total funds (\$44.4 million General Fund and \$87.8 million Federal Funds) for enhanced rates for wages in assisted living, memory care, skilled nursing facilities, and in-home care service agencies; \$12.2 million total funds (\$1.4 million General Fund and \$10.8 million Other funds) for workforce development and training; and; \$14 million Other Funds for a new Capital Improvement and

Emergency Preparedness program.

Central, Shared, State Assessments and Enterprise-wide Costs. The LFO recommended total funds budget for Central, Shared, and State Assessments and Enterprise-wide Costs is 20.0% above the 2019-21 legislatively approved budget and 12.8% above the 2021-23 current service level (CSL). The General Fund budget is 64.1% higher than 2019-21. This includes:

- \$37.1 million General Fund (\$69.7 million total funds) to support the transition from the Integrated Eligibility project to the integrated ONE program through the 2021-23 biennium and into future biennia. The request includes funding for 20 permanent positions (20.00 FTE), contracting costs and general Services and Supplies expenditures. The new positions will provide staffing for the Virtual Eligibility Center, system testing, the Helpdesk, and administrative support.
- \$7.5 million General Fund, \$3.2 million Federal Funds, and 39 permanent positions (39.00 FTE) to assist with agency recruitment, completing pay equity assessments, providing training and legal compliance, supporting labor negotiations and handling workforce management issues. This package is meant to provide additional budget for its double-filled positions.
- \$3.8 million General Fund, \$18,336 Other Funds, and \$0.8 million Federal Funds and seven permanent positions (5.74 FTE) to advance equity initiatives to provide more equitable, accessible service delivery to communities of color and historically disadvantaged groups.

### **Budget Notes**

#### **Child welfare Stabilization**

To access the special purpose appropriation established in SB 5529 to address double-fill positions in the Child Welfare program, the Oregon Department of Human Services must present information to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2022 legislative session that demonstrates the agency's progress in filling child welfare vacancies, reducing turnover, implementing strategies to improve recruitment and retention, and curbing the establishment of double-fill positions.

#### **Foster Care Respite Care Program**

The Oregon Department of Human Services shall submit a report to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2022 Session on the status of implementation of foster care respite services, including the number and type of certified and trained respite providers, and the number of families and children who have received and will receive respite services during the 2021-23 biennium. The report should also discuss the metrics the agency will be using to evaluate the program's effectiveness with regard to family stability, reduced risk or neglect, and improved provider recruitment and retention.

#### **Refugee Extended Case Management and Employment Supports**

The Oregon Department Human Services is directed to use the \$4.3 million General Fund appropriated in SB 5529 for refugee extended case management, employment support services, and for the provision of services listed in ORS 411.139 (2), to individuals granted

an immigration status that has been approved for services by the federal Office of Refugee Resettlement. Services are to be provided through grant awards to entities defined in ORS 411.139, agencies that receive funding through a cooperative agreement with the United States Department of State, Bureau of Population, Refugees and Migration to provide reception and placement case management support to refugees in remote places and to an employment service provider that is an established culturally responsive organization and provides employment and workforce development services.

#### **Long-Term Care Capital Improvement and Emergency Preparedness Program**

The Oregon Department of Human Services is directed to adopt rules for the administration of the Long-Term Care Capital Improvement and Emergency Preparedness Program, including requirements and criteria for the application, approval, distribution, and oversight of the program. In making grant award decisions, the department is directed to consider and prioritize high Medicaid-census buildings, aging buildings, and upgrades; and, to ensure equitable access across the State. Eligible expenditures include emergency power sources, air quality and HVAC improvements, infectious disease prevention strategies and equipment, technology to facilitate virtual visits and telehealth for residents, and room reconfigurations that reduce the risk of transmitting infectious diseases. The Department is directed to present information to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2022 legislative session on the status of program implementation, the number of applications received, and total awards made by type of facility.

#### **Long-Term Care Workforce Development and Training**

The Oregon Department of Human Services is directed to work with appropriate stakeholder groups to develop or expand programs that will improve the skill level and training of workers in the long-term care sector as well as create better pathways to continued education and professional advancement for workers. The department may contract with external vendors to develop or expand these programs. Programs may include, but are not be limited to, loan forgiveness, tuition reimbursement, apprenticeship programs, and other professional development, education, or training opportunities and incentives for long term care workers. The department shall report to the 2022 Interim Joint Subcommittee on Human Services on the implementation of these programs.

#### **Improving Access to Mental Health Treatment Services**

The Oregon Department of Human Services and the Oregon Health Authority shall: (1) Identify barriers that individuals served by Aging and People with Disabilities and the Office of Developmental Disabilities experience accessing and receiving mental health treatment services through Medicaid, and develop strategies to address these barriers; and (2) Assess and develop strategies to remove barriers that prevent individuals with mental illness from accessing long term services and supports. The Departments shall report the results of this work to the human services committees of the Legislative Assembly no later than February 28, 2022.

#### **Spending Plan for Home and Community-Based Services and Long-Term Services and Supports Investments**

The Oregon Department of Human Services and Oregon Health Authority shall provide interim reports to the appropriate interim budget committee (either the Joint Committee on Ways and Means or Emergency Board) throughout the 2021-23 interim on the status of

implementation of the Home and Community-Based Services (HCBS) and Long-Term Services and Supports (LTSS) investment plan related to Section 9817 of the federal American Rescue Plan Act. The interim reports shall include, but not be limited to, (1) information on the status of federal review of the state’s investment plan and any changes to the scope of the activities in the plan; (2) updated estimates of the total amount of funds attributable to the increase in FMAP that Oregon anticipates claiming; and, (3) actual and projected expenditures for activities in the investment plan between April 1, 2021, and March 31, 2024. The Department shall provide the Legislative Fiscal Office a copy of the quarterly spending plans and narrative submissions provided to the U.S. Centers for Medicare and Medicaid Services.

**Recommended Changes**

The -3 amendment includes the following changes to the 2021-23 biennium:

- LFO recommends a budget of \$4,560,791,484 General Fund, \$699,078,414 Other Funds, \$7,076,319,593 Federal Funds, \$2,975,868,127 Federal Funds Nonlimited, and 10,108 positions (10,004.43 FTE), which is reflected in the -3 amendment.
- LFO recommends that a \$15,859,656 special purpose appropriation be appropriated to the Emergency Board for the Oregon Department of Human Services for positions to reduce the number of double-filled positions associated with the Child welfare program.

**Final Subcommittee Action**

LFO recommends that SB 5529, as amended by the -3 amendment, be moved to the Ways and Means Full Committee.

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_

**OREGON DEPARTMENT OF HUMAN SERVICES: AGENCY TOTALS**  
**SB 5529 WORK SESSION**

	GEN FUND	OTHER	FEDERAL	NL FEDERAL	TOTAL FUNDS	POS	FTE
<b>2019-21 Legislatively Approved Budget (As of June 2021)</b>	3,558,455,392	811,229,521	6,434,813,278	2,889,345,331	13,693,843,522	9,603	9,359.06
<b>2021-23 Current Service Level</b>	4,506,466,106	639,640,131	6,459,542,544	1,939,345,331	13,544,994,112	9,693	9,633.66
<b>2021-23 Governor's Budget</b>	4,497,036,224	669,370,817	6,524,724,562	2,975,868,127	14,666,999,730	9,898	9,819.55
<b>2021-23 LFO RECOMMENDED BUDGET</b>	4,560,791,484	699,078,414	7,076,319,593	2,975,868,127	15,312,057,618	10,108	10,004.43
Vocational Rehabilitation	35,739,931	4,965,191	84,615,390	-	125,320,512	262	261.04
Child Welfare	894,366,021	37,724,151	564,640,847	-	1,496,731,019	3,341	3,295.12
Aging and People with Disabilities	1,435,740,472	295,042,288	2,939,859,067	-	4,670,641,827	1,804	1,760.80
Intellectual and Developmental Disabilities	1,236,051,009	22,825,663	2,592,490,393	-	3,851,367,065	937	933.89
Self Sufficiency Programs	497,566,764	119,309,422	545,854,286	2,975,868,127	4,138,598,599	2,739	2,735.89
Central, Shared, Assessments	461,327,287	219,211,699	348,859,610	-	1,029,398,596	1,025	1,017.69
<b>TOTAL 2021-23 DHS RECOMMENDED BUDGET</b>	<b>4,560,791,484</b>	<b>699,078,414</b>	<b>7,076,319,593</b>	<b>2,975,868,127</b>	<b>15,312,057,618</b>	<b>10,108</b>	<b>10,004.43</b>
\$ Change from 2019-21 Approved	1,002,336,092	(112,151,107)	641,506,315	86,522,796	1,618,214,096	505	645.37
% Change from 2019-21 Approved	28.17%	-13.82%	9.97%	2.99%	11.82%	5.26%	6.90%
\$ Change from 2021-23 CSL Estimate	54,325,378	59,438,283	616,777,049	1,036,522,796	1,767,063,506	415	370.77
% Change from 2021-23 CSL Estimate	1.21%	9.29%	9.55%	53.45%	13.05%	4.28%	3.85%
\$ Change from 2021-23 Governor's Budget	63,755,260	29,707,597	551,595,031	-	645,057,888	210	184.88
% Change from 2021-23 Governor's Budget	1.42%	4.44%	8.45%	0.00%	4.40%	2.12%	1.88%

# Legislatively Proposed 2021 - 2023 Key Performance Measures

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Agency: Human Services, Department of

## Mission Statement:

To help Oregonians in their own communities achieve safety, well-being and independence through services that protect, empower, respect choice and preserve dignity

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. OLDER ADULTS NEEDING LONG TERM CARE SERVICES (APD) - The percentage of older adults (65+) needing publicly-funded long term care services		Approved	2.90%	3.07%	3.06%
2. LONG TERM CARE RECIPIENTS LIVING OUTSIDE OF NURSING FACILITIES (APD) - The percentage of Oregonians accessing publicly-funded long-term care services who are living outside of nursing facilities		Approved	87.50%	89.50%	90%
3. TIMELY APD ABUSE INVESTIGATIONS - The percentage of abuse reports assigned for field contact that meet policy timelines		Approved	95.90%	95%	95%
4. ABSENCE OF REPEAT MALTREATMENT OF ABUSED/NEGLECTED CHILDREN (CW) - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization		Approved	92.90%	97%	97%
5. TIMELY REUNIFICATION OF FOSTER CHILDREN (CW) - The percentage of foster children exiting to reunification within 12 months of foster care entry		Approved	75.70%	76%	76%
6. TIMELY ADOPTION ONCE CHILDREN ARE LEGALLY FREE (CW) - The percentage of legally free children adopted in less than 12 months		Approved	47.20%	54%	54%
8. CHILDREN SERVED BY CHILD WELFARE RESIDING IN PARENTAL HOME - The percentage of children served in Child Welfare on an average daily basis (in home and foster care) who were served while residing in their parent's home		Approved	22.10%	33%	33%
9. TIMELY ELIGIBILITY DETERMINATION FOR ODDS SERVICES - The percentage of individuals who apply for ODDS services who are determined eligible within 90 days from application		Approved	67%	75%	75%
10. ADULTS ENROLLED IN ODDS PROGRAM RECEIVING IN-HOME SERVICES - The percentage of adults enrolled in the Intellectual/Developmental Disabilities program who are receiving services in their own home, including family home		Approved	66%	75%	75%
11. SUPPORTED EMPLOYMENT SERVICES TO OBTAIN COMPETITIVE INTEGRATED EMPLOYMENT - Number of individuals in sheltered workshop target population receiving supported and/or related employment services from ODDS and VR who obtain competitive integrated employment		Approved	1,024	1,115	1,115
12. ABUSE/NEGLECT OF ADULTS WITH DEVELOPMENTAL DISABILITIES (ODDS) - The percentage of substantiated abuse/neglect of adults in licensed and endorsed programs		Approved	2.23%	0%	0%
13. HOUSEHOLDS AT, OR ABOVE, LIVING WAGE FOUR QUARTERS AFTER LEAVING SSP PROGRAM - The median percentage of households leaving Self Sufficiency who are at, or above, a living wage four quarters out		Approved	68.70%	71%	71%
14. SSP PARTICIPANTS REPORTING HOUSING STABILITY - The percentage of Self Sufficiency participants who report their housing needs are fully met		Approved	40.50%	25%	25%

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
15. SSP PARTICIPANTS REPORTING FOOD SECURITY - The percentage of Self Sufficiency participants who report they did not worry about having enough food, or actually run out of food, in the past 12 months		Approved	25.30%	15%	15%
16. SSP PARTICIPANTS REPORTING GREATER SELF-EFFICACY - The percentage of Self Sufficiency participants who report they feel more confident in their ability to improve their current circumstances because of SSP and other services they were connected to		Approved	73.40%	70%	70%
17. OVRs CONSUMERS WHO ARE SUCCESSFULLY EMPLOYED AT PROGRAM EXIT - The percentage of Office of Vocational Rehabilitation Services (OVRs) consumers with a goal of employment who are employed at program exit		Approved	55.60%	65%	65%
18. OVRs CONSUMERS EMPLOYED IN SECOND QUARTER FOLLOWING PROGRAM EXIT - The percentage of OVRs clients closed from plan who are employed during second quarter following program exit		Approved	57.80%	52%	52%
19. OVRs CONSUMERS EMPLOYED IN FOURTH QUARTER FOLLOWING PROGRAM EXIT - The percentage of OVRs clients closed from plan who are employed during fourth quarter following program exit		Approved	53.80%	52%	52%
20. OVRs MEDIAN QUARTERLY WAGE AT SECOND QUARTER FOLLOWING PROGRAM EXIT - Median quarterly wage at second quarter following OVRs program exit		Approved	\$3,606.00	\$3,300.00	\$3,300.00
21. DHS CUSTOMER SATISFACTION - The percentage of customers rating their satisfaction with DHS above average, or excellent	Timeliness	Approved	62%	81%	81%
	Accuracy		67.90%	91%	91%
	Overall		79.20%	90%	90%
	Helpfulness		83%	86%	86%
	Expertise		66.30%	90%	90%
	Availability of Information		90%	92%	92%
7. REDUCTION OF RACE/ETHNICITY DISPARITIES IN LENGTH OF STAY (CW) - Outcome disparity in length of stay (reported in months) for children in substitute care by race/ethnicity	a) Non-Hispanic African American	Proposed New		20	18
	b) Non-Hispanic Asian/Pacific Islander			18	18
	c) Non-Hispanic White			19	18
	d) Non-Hispanic Native American/Alaskan Native			18	18
	e) Hispanic (any race)			18	18
22. REDUCTION IN DISPROPORTIONALITY OF CHILDREN AT ENTRY INTO SUBSTITUTE CARE (CW) - Measure of the average disproportionality index across race/ethnicity for children at entry into substitute care	a) American Indian/Alaskan Native	Proposed New		1.35	1
	b) Black/African American			1.15	1
	c) Asian/Pacific Islander			1	1
	d) Hispanic			1	1
	e) White			1	1
7. DISPARITY OF FOSTER YOUTH ACHIEVING PERMANENCY (CW) - The disparity in foster youth achieving permanency with 2 years by race/ethnicity	Disparity of Non-Hispanic African American Youth	Proposed Delete	0.80	1	1
	Disparity of Non-Hispanic Asian/Pacific Islander Youth		1.30	1	1
	Disparity of Non-Hispanic White Youth (always=1)		1	1	1

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
	Disparity of Non-Hispanic Native American/Alaska Native Youth		1	1	1
	Disparity of Hispanic (any race) Youth		1	1	1

**LFO Recommendation:**

LFO recommends approval of the proposed key performance measures.

**SubCommittee Action:**